



## CITY OF MOUNTAIN VIEW

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April 9, 2008

VIA FACSIMILE & US MAIL

Ross Johnson, Chairman  
FAIR POLITICAL PRACTICES COMMISSION  
428 J STREET, Suite 800  
SACRAMENTO CA 95814

Re: Pre-notice Discussion of Proposed Amendments to Regulation 18946.4  
April 10, 2008 Agenda

Dear Chair Johnson:

As Chair of the League of California Cities FPPC Committee, I have reviewed the above-referenced agenda item and discussed same with members of my committee as well as representatives from the League of Cities. We do not have a formal position at this time, however we do want to ask the Commission's consideration of possible alternatives to the changes proposed to 18946.4(b).

We participated when the Commission last examined this issue in 2004-2005. I recall attending an interested persons meeting and being quite taken-a-back by the idea that a councilmember would receive a large number of tickets for a valuable event far in excess of the number they could use personally (e.g. one or two). In essence they were receiving a tangible form of social and political currency that was not subject to disclosure or limitation. Exempt or not, the Pasadena example allows the official to engage in political patronage and, at least as it relates to elected officials, places a non-incumbent at a severe disadvantage when it comes to this tool of political "favor".

At the same time, we as a committee and community became aware that there was some historic recognition and perhaps legitimacy behind encouraging businesses to support local nonprofits. The current regulation provides an incentive to do so. Perhaps more important is the belief by many that our local non-profits are uniquely dependent upon on this type of "charitable" expenditure by the local business community.

As of the date of this pre-notice discussion, I do not believe our State's nonprofit community is aware of this pending change and the impact it may have on their fundraising, if not on their survival. I also do not believe I can offer you any good way to measure that at this time.

I would request that for purposes of moving forward, the Commission consider as an alternative, a significant change to the current exemption that would limit the exemption

ROSS-07-2008 11:13 PM VIEW CITY ATTORNEY  
030 301 4213 P.03  
Ross Johnson  
April 9, 2008  
Page 2

to two tickets per public official. This would eliminate the political patronage and gift problem presented in Pasadena which are clearly outside the bounds of reason or any rational interpretation of the goals of a Political Reform Act.

Additional controls could be considered limiting this exception to breakfast, lunch, dinner, recognition and/or award events. It could exclude fundraisers held in conjunction with sporting events, entertainment or other commercial activity. This would narrow the exemption to the more typical nonprofit fundraiser for the local community services agency, battered womens shelter, or music school, and exclude a "fundraiser" held in the sky box at a Sacramento Kings game.

#### Possible Language

With apologies to staff, the following may help shape the discussion:

"Where the event is a fundraising event for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, the ticket or the admission privilege has no value, provided the official accepts no more than one ticket for himself or herself, plus one ticket for any guest accompanying the official and, provided further, that the event does not include entertainment or attendance at a sporting event which is open to the general public for an admissions charge unrelated to the nonprofit fundraising activity".

Finally, it is true that elected officials can rely on campaign funds to cover these expenses. While maintaining a campaign account is prevalent at the state level, many local officials close their campaign accounts as quickly as possible after being elected. I for one would not want to see any incentive created to change that fact. At the local level there can be a more direct and often visible relationship between ongoing campaign fundraising and political favoritism.

Thank you again for your attention and consideration of these thoughts. I look forward to participating in discussions of this item in future.

Sincerely,



Michael D. Martello  
City Attorney

cc: FPPC Committee, JoAnn Speers; Aerial Gee; and  
Patrick Whitnell, General Council, League of California Cities